



Patrick W. Henning, Director
April 8, 2009
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Arnold Schwarzenegger
Governor

Mr. Blake Konczal
Fresno County Workforce Investment Board
2000 Fresno, Suite 200
Fresno, CA 93726

Dear Mr. Blake Konczal:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-2009 of the Fresno County Workforce Investment Board (FCWIB's) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, non-discrimination and equal opportunity, grievance and complaint system, and Youth program operations including Workforce Investment Act (WIA) activities, participant eligibility, and Youth services.

This review was conducted by Ms. Cheryl Kemp from December 1, 2008 through December 5, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by FCWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-2009.

We collected the information for this report through interviews with FCWIB representatives, service provider staff, and participants. In addition, this report includes the results of our review of selected case files, FCWIB's responses to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-2009.

We received your response to our draft report on February 12, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed findings 1 and 2 cited in the draft report, no further action is required at this time. However, these issues will remain open until we receive updated WIB and Youth Council rosters with the required members. Until then, these findings are assigned Corrective Action Tracking System (CATS) numbers 90065 and 90066.

Your response adequately addressed finding 3 cited in the draft report, and no further action is required at this time. However, this issue will remain open until we verify your implementation of your stated corrective action plan (CAP) during a future onsite review. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90067.

Your response adequately addressed finding 4 cited in the draft report, no further action is required at this time and we consider this issue resolved.

BACKGROUND

The FCWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-2009, FCWIB was allocated: \$5,737,829 to serve adult participants; \$6,134,494 to serve youth participants; and \$4,653,470 to serve dislocated worker participants. At the time of this review the planned participant numbers were unavailable because FCWIB's 5 year plan modification had not been received at the time of this review.

For the quarter ending September 30, 2008, FCWIB reported the following expenditures for its WIA programs: \$2,196,971 for adult participants; \$1,174,083 for youth participants; and \$1,165,472 for dislocated worker participants. In addition, FCWIB reported the following enrollments: 620 adult participants; 1,044 youth participants; and 427 dislocated worker participants. We reviewed case files for 26 of the 1,044 youth participants enrolled in the WIA program as of December 1, 2008.

PROGRAM REVIEW RESULTS

While we conclude that, overall, FCWIB is meeting applicable WIA requirements concerning grant program administration; we noted instances of noncompliance in the following areas: Workforce Investment Board and Youth Council composition and participant follow-up. The findings that we identified in these areas are specified below.

FINDING 1

Requirement:

WIA Section 117(b)(2)(A)(vi) states, in part, that the membership of each Local Board shall include representatives of each of the one-stop partners.

20 CFR Section 662.200 states, in part, that the required One-Stop partners include entities that are responsible for administering the Native American Programs authorized under Title I of WIA.

WIA Section 117(b)(2)(A)(iii) states, in part, that the composition of the local Workforce Investment Board (WIB) shall include representatives of local labor organizations. 20 CFR 661.315(a) states that the local WIB must contain two or more members representing the categories described in WIA Section 117(b)(2)(A)(iii).

20 CFR 661.315(e) states in part, that Chief elected officials must appoint business representatives from among individuals who are nominated by local business organizations and business trade associations. Chief elected officials must appoint the labor representatives from among individuals who are nominated by local labor federations (or, for a local area in which no employees are represented by such organizations, other representatives of employees).

Observation:

The FCWIB has not had a Native American representative on its LWIB since October 2005. This was also a finding in PY 2007-2008 in which they stated that the Native American representative was removed from the LWIB on August 22, 2006, but was being reconsidered for reinstatement. The FCWIB expected to provide CRO with a resolution by March 31, 2008. However, no information was provided to CRO.

The WIB currently has two Labor representatives and need three more to comply with the 15 percent requirement of SB293.

Recommendation:

We recommended that FCWIB provide CRO with a corrective action plan (CAP) and timeline for filling the WIB vacancies and an updated WIB roster after these vacancies has been filled.

FCWIB Response:

The FCWIB stated that the Native American position has been vacant for at least two years. The agency, California Indian

Manpower Consortium (CIMC) does not have staff available that can attend the FCWIB's meetings. As a proposed solution, FCWIB is working with their Regional Advisor to identify a Native American representative in the area that would be able to meet the Chief Local Elected Official's (CLEO's) mandated attendance requirements. The Regional Advisor has raised this issue with the appropriate EDD staff in Sacramento. Once they receive direction from the Regional Advisor they hope to be able to address this issue.

In regards to the three missing labor representatives, the County of Fresno and the City of Fresno are currently working on a Joint Powers Agreement to co-manage the Fresno County Workforce Investment Board as the CLEO. As such, both entities will have equal share in appointing members to the Board. They expect to be in full compliance with SB 293 by June 30, 2009. The FCWIB will send a copy of the Board roster once all appointments have been confirmed.

State Conclusion: The FCWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we receive an updated WIB roster showing that the Labor and Native American vacancies have been appointed. Until then, this issue remains open and has been assigned CATS number 90065.

FINDING 2

Requirement: WIA117(h)(2)(A)(iv)(vi) states, in part that the Youth Council shall include representatives of a parent of an eligible youth.

Observation: We observed that FCWIB's Youth Council has had a vacant seat for a parent of an eligible youth since March 2006. This was also an issue in PY 2006-2007 in which FCWIB stated they would continue its efforts to secure this council member and will notify Compliance Review Office (CRO) when they have completed the task.

Recommendation: We recommended that FCWIB provide CRO with a CAP, including a timeline, showing the steps that it will take to fill the vacancy. Once filled, we recommended that FCWIB provide CRO with a copy of an updated Youth Council roster.

FCWIB's Response: The FCWIB stated that since their past efforts to secure this council member have been unsuccessful, they provided a corrective action plan with a timeline to appoint a parent of an eligible participant to the Youth Council. The FCWIB stated they would provide the results of their efforts to CRO by the end of April 2009.

State Conclusion: The FCWIB's stated corrective action plan should be sufficient to resolve this issue. However, we cannot close this issue until we receive an updated Youth Council roster showing that the parent of an eligible youth has been appointed. Until then, this issue remains open and has been assigned CATS number 90066.

FINDING 3

Requirement: 20 CFR Section 667.300(b)(1) states, in part, that a state or other direct grant recipient may impose different forms or shorter formats, shorter due dates and more frequent reporting requirements on sub recipients.

WIAD04-17 states, in part, that follow-up contact information is mandatory for four quarters after a client's exit unless specified otherwise in the entity's contract. A follow-up contact is a check to determine a client's employment and educational status after exiting the WIA program.

Observation: CRO observed that the Youth Providers are required to follow the FCWIB Operational Directive (OD) # 28-08. This directive and the guidance provided require staff to discontinue follow-up under certain circumstances. The FCWIB (OD) # 28-08 states in part, In the event that a youth can not be located after three attempts, as outlined in the previous section, the results are to be case noted and any additional quarterly follow-up activities are no longer required. Follow-up is required for all customers, with the exception of those categorized as Neutral and Cannot Locate Exits. Neutral exit is defined as a youth who:

- Has become institutionalized and is expected to remain so for more than 90 days or,
- Has died, or
- Is a reservist and has been recalled to active duty (full-time) military service, or

- Is receiving medical treatment that prevents them from securing employment or participation in WIA activities and is expected to remain so for more than 90 days.

We observed that eight of the 16 participant case files that were exited, were missing one to four quarters of follow-up.

Recommendation: We recommended that FCWIB work with the Regional Advisor to revise its follow-up policy (OD 28-08) to comply with federal regulations and develop a CAP to ensure that, in the future, quarterly follow-up is conducted as required after exit. In addition, since FCWIB recently shifted follow-up responsibilities to its service providers, we recommended that the CAP also explain how FCWIB will provide guidance to the service providers in the completion of follow-up contacts.

FCWIB's Response: The FCWIB stated that they concur with this finding. However, they feel that their process meets the intent of the regulations. The FCWIB considers the use of WIA resources to continue conducting follow-up for clients they have already documented as "Can Not Locate", to be an inefficient and costly use of limited WIA resources. In spite of this disagreement, FCWIB has revised their follow-up process. A revised FCWIB Operational Directive (OD) 28-08 Revision C was released to the youth providers on February 17, 2009 and provided to CRO for documentation.

State Conclusion: The FCWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify, during a future onsite visit, FCWIB's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90067.

FINDING 4

Requirement: 20 CFR Section 667.399(b) (1) states, in part, that a State may impose different forms or formats, shorter due dates, and more frequent reporting requirements on sub recipients. Additionally, WIA Section 185(d) (B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the

length of time that participants are engaged in such programs and activities.

Observation:

We found two case file where an incorrect outcome was entered on the Job Training Automation (JTA) Exit form. The case files documented that two in-school youth were exited as having returned to secondary school. These youth never dropped out of school and were enrolled in school while enrolled in the youth program therefore, an exit code for returning to school would be incorrect.

Recommendation:

We recommended that FCWIB revise and re-enter the identified participants' JTA Exit forms to reflect an accurate outcome code. Additionally, we recommend that FCWIB provide CRO with evidence the two identified participants' exit codes have been corrected.

FCWIB's Response:

The FCWIB stated that they concur with the finding for client #1 AE and as recommended they have changed the exit code to "planned services completed" and provided a corrected exit form for client #1.

Regarding client #2 CG, the FCWIB respectfully disagrees with the finding. The WIA JTA Client Forms Handbook for Exit Codes, in part, states "16- Returned to secondary education (Youth Only). The youth exited WIA services and was attending secondary school at exit. The FCWIB interprets this to mean that if a youth is in school at the time of exit, then the exit is categorized as "exit to secondary school". Client #2 CG entered the WIA program as an in-school youth. When he was exited, he remained in-school.

State Conclusion:

We concur with your response and this finding is resolved.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is FCWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain FCWIB's responsibility.

Mr. Blake Konczal

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April 8, 2009

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact me at (916) 653-7541.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" written in a larger, more prominent script than the last name "Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Greg Gibson, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Roger Schmitt, MIC 50